

**CITY OF TROY, NEW YORK**

**SINGLE AUDIT REPORTS**

**Year Ended December 31, 2009**

**CITY OF TROY, NEW YORK**

**SINGLE AUDIT REPORTS**

**Year Ended December 31, 2009**

**C O N T E N T S**

	Page
Schedule of Expenditures of Federal Awards	1
Notes to Schedule of Expenditures of Federal Awards	2
Schedule of Prior Audit Findings	3
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	4
Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 and Independent Auditor's Report on Schedule of Expenditures of Federal Awards	5-6
Schedule of Findings and Questioned Costs	7-8

**CITY OF TROY, NEW YORK**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Year Ended December 31, 2009		
	Federal CFDA Number	Pass-Through Entity Identification Number	Federal Expenditures
Department of Housing and Urban Development/ CDBG - Entitlement Grants Cluster			
Community Development Block Grants - Entitlement Grant	14.218	B-00MC-36-0109 and prior years	\$ 2,526,067
ARRA - Community Development Block Grants - Entitlement Grant	14.253		212,130
			<u>2,738,197</u>
Emergency Shelter Grants Program	14.231	S-00MC-36-0007 and prior years	28,800
Community Development Block Grants - Brownfields Economic Development Initiative- Section 108 Loan Guarantees	14.248	B-00-MC-36-0109	4,833,000
City of Schenectady/ HOME Investment Partnerships Program	14.239	B-00MC-36-0510 and prior years	380,060
			<u>7,980,057</u>
Department of Justice Drug Enforcement Administration/ Federal Equitable Sharing Program	16.***	N/A	<u>209,106</u>
Department of Justice/ New York State Department of Criminal Justice Services/ Juvenile Accountability Block Grants	16.523	JJ07-1113-E00, JJ-08-1108-E000	129,750
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	C612054, T612052, JJ-08-1108-E000	126,201
Edward Byrne Memorial Formula Grant Program	16.579	C484012, C484065	316,829
Community Capacity Development Office	16.595	2008-WS-QX-0137, 2009-WS-QX-0120	156,133
Bulletproof Vest Partnership Program	16.607	OMB #1121-0235	4,680
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2007-DJ-BX-1125, 2008-DJ-BX-0317 2009-DJ-BX-1472	87,699
ARRA - Edward Byrne Memorial Justice Assistance Grant Program - Grants to Units of Local Government	16.804	2009-SB-B9-0816	54,096
			<u>875,388</u>
Department of Transportation/ New York State Department of Transportation/ Highway Planning and Construction Cluster			
Highway Planning and Construction	20.205	NYS-PIN-various	2,706,560
ARRA - Highway Planning and Construction	20.205	NYS-PIN-various	663,443
Recreational Trails Program	20.219	1754.52.121, 1755.66.321	41,303
			<u>3,411,306</u>
Department of Transportation National Highway Traffic Safety Administration/ New York State Governor's Traffic Safety/ Highway Safety Cluster			
State and Community Highway Safety	20.600	PT 4202173, TR 4202181	14,040
Occupant Protection Incentive Grants	20.602	CS-4292291	4,932
Safety Incentive Grants for Use of Seatbelts	20.604	PT4202191	6,609
			<u>25,581</u>
Environmental Protection Agency/ Office of Solid Waste and Emergency Response/ Brownfield Pilots Cooperative Agreement	66.811	BP97287504	86,201
Department of Homeland Security/ Assistance to Firefighters Grant	97.044	EMW-2008-FO-09093	312,056
New York State Emergency Management Office/ Presidential Declared Disaster Assistance to Individuals and Households - Other Needs	97.050	N/A	394,770
New York State Office of Homeland Security/ Homeland Security Grant Program	97.067	C835454	118,562
			<u>825,388</u>
			<u><b>\$ 13,413,027</b></u>

N/A - Pass-through number not available from pass-through entity.

See accompanying Notes to Schedule of Expenditures of Federal Awards, Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Auditor's Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 and Independent Auditor's Report on Schedule of Expenditures of Federal Awards.

**CITY OF TROY, NEW YORK**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended December 31, 2009**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*a. General*

The accompanying schedule of expenditures of federal awards presents all federal awards programs of the City of Troy, New York (City) for the year ended December 31, 2009. The City is defined in Note 1 to the statutory basis financial statements. Federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included on the schedule of federal expenditures of federal awards.

*b. Basis of Accounting*

The accompanying schedule of expenditures of federal awards is presented using the modified accrual basis of accounting used by the City in reporting these programs to the federal government.

*c. Relationship to Statutory Basis Financial Statements*

Federal awards revenues are reported in the City's statutory basis financial statements as federal aid. The City's fund financial statements are presented using the modified accrual basis of accounting.

**NOTE 2 - NON-CASH ASSISTANCE**

The City had no federal awards expended in the form of non-cash assistance during the year ended December 31, 2009.

**NOTE 3 - LOANS AND LOAN GUARANTEES**

The City had \$4,833,000 of loans outstanding to the Department of Housing and Urban Development related to the Brownfields Economic Development Initiative and Section 108 as of December 31, 2009.

**NOTE 4 - INSURANCE**

The City did not participate in any federal insurance programs during the year ended December 31, 2009.

**NOTE 5 - SUBRECIPIENTS**

Of the federal expenditures presented in the schedule of expenditures of federal awards, the City provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided to Subrecipients</u>
Emergency Shelter Grants Program	14.231	\$ 48,252
Community Development Block Grants - Entitlement Grant	14.218	135,232
Community Development Block Grants - Brownfield Economic Development Initiative - Section 108		
Loan Guarantees	14.248	2,000,000

**CITY OF TROY, NEW YORK**  
**SCHEDULE OF PRIOR AUDIT FINDINGS**  
**Year Ended December 31, 2009**

**Financial Statement Findings**

No matters were reported.

**Federal Award Findings and Questioned Costs**

No matters were reported.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Mayor and Members of the City Council  
City of Troy, New York  
Troy, New York

We have audited the financial statements - statutory basis of the City of Troy, New York, as of and for the year ended December 31, 2009, and have issued our report thereon dated September 23, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**Compliance**

As part of obtaining reasonable assurance about whether the City's financial statements - statutory basis are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Mayor, Members of the City Council, management, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

*Bollam Sheedy Torani & Co LLP*

Albany, New York  
September 23, 2010

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH  
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB  
CIRCULAR A-133 AND INDEPENDENT AUDITOR'S REPORT ON SCHEDULE  
OF EXPENDITURES OF FEDERAL AWARDS**

Mayor and Members of the City Council  
City of Troy, New York  
Troy, New York

**Compliance**

We have audited the compliance of the City of Troy, New York, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2009. The City's major federal programs are identified in the summary of independent auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City's management.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2009.

**Internal Control Over Compliance**

The management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

#### **Schedule of Expenditures of Federal Awards**

We have audited the financial statements - statutory basis of the City of Troy, New York, as of and for the year ended December 31, 2009, and have issued our report thereon dated September 23, 2010. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Mayor, Members of the City Council, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Bollam Sheedy Torani & Co. LLP*

Albany, New York  
September 23, 2010



**CITY OF TROY, NEW YORK**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended December 31, 2009**

**Section I - Summary of Independent Auditor's Results**

*Financial Statements*

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weaknesses identified? \_\_\_\_\_ Yes   X   No
- Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes   X   None Reported
- Noncompliance material to financial statements noted? \_\_\_\_\_ Yes   X   No

*Federal Awards*

Internal control over major programs:

- Material weaknesses identified? \_\_\_\_\_ Yes   X   No
- Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes   X   None Reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?

\_\_\_\_\_ Yes   X   No

Identification of major programs:

CFDA Numbers

Name of Federal Program or Cluster

14.218	CDBG Cluster
	Community Development Block Grants -
	Entitlement Grant
14.253	ARRA - Community Development Block Grants -
	Entitlement Grant
	Highway Planning and Construction Cluster
20.205	Highway Planning and Construction
20.205	ARRA - Highway Planning and Construction
20.219	Recreational Trail Program

Dollar threshold used to distinguish between type A and type B programs:

\$402,391

Auditee qualified as low-risk auditee?

  X   Yes \_\_\_\_\_ No

**CITY OF TROY, NEW YORK**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended December 31, 2009**

**Section II - Financial Statement Findings**

None noted.

**Section III - Federal Awards Findings and Questioned Costs**

None noted.